



**LUMEN CHRISTI CATHOLIC COLLEGE  
ASSESSMENT ITEM NUMBER TWO – PRELIMINARY COURSE  
GENERAL MATHEMATICS 2011  
SHARE PORTFOLIO**

**NAME:** \_\_\_\_\_

**DATE DUE: 4<sup>th</sup> May 2011**

**WEIGHTING: 15%**

**OUTCOMES ASSESSED**

- P2** applies mathematical knowledge and skills to solving problems within familiar contexts
- P4** represents information in graphical and tabular forms
- P8** models financial situations using appropriate tools
- P11** justifies his/her response to a given problem using appropriate mathematical terminology

**GENERAL DIRECTIONS**

- Show all necessary working on the worksheets provided
- Complete all tasks
- Marks may be deducted for careless or untidy work
- Graphs must be completed by hand

**TASK:**

You have \$5000 to invest in shares. You decide to set up a share portfolio comprising 4 companies and invest all the money. You buy all of your shares on the 28<sup>th</sup> March 2011. You then keep a record of each company's market value at least 10 times over a four week period. You sell all of your shares on or before the 27<sup>th</sup> April 2011.

Use [www.asx.com.au](http://www.asx.com.au) to set up a watchlist to keep track of your shares.

You need to use various sheets provided with this assessment sheet to keep track of your shares and calculations.

1. Select 4 companies that you will purchase shares in.

Decide the number of shares and the cost of each purchase and calculate the cost for each company. (P2)

COMPANY NO. 1: \_\_\_\_\_ ASX CODE: \_\_\_\_\_

NO. OF SHARES PURCHASED: \_\_\_\_\_

MARKET VALUE AT THE TIME OF PURCHASE: \_\_\_\_\_

COST(show calculation): \_\_\_\_\_

DESCRIPTION OF COMPANY: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**2 marks**

COMPANY NO. 2: \_\_\_\_\_ ASX CODE: \_\_\_\_\_

NO. OF SHARES PURCHASED: \_\_\_\_\_

MARKET VALUE AT THE TIME OF PURCHASE: \_\_\_\_\_

COST(show calculation): \_\_\_\_\_

DESCRIPTION OF COMPANY: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**2 marks**

COMPANY NO. 3: \_\_\_\_\_ ASX CODE: \_\_\_\_\_

NO. OF SHARES PURCHASED: \_\_\_\_\_

MARKET VALUE AT THE TIME OF PURCHASE: \_\_\_\_\_

COST(show calculation): \_\_\_\_\_

DESCRIPTION OF COMPANY: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**2 marks**

COMPANY NO. 4: \_\_\_\_\_ ASX CODE: \_\_\_\_\_

NO. OF SHARES PURCHASED: \_\_\_\_\_

MARKET VALUE AT THE TIME OF PURCHASE: \_\_\_\_\_

COST(show calculation): \_\_\_\_\_

DESCRIPTION OF COMPANY: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**2 marks**

2. Your selection of companies was made in conjunction with a Stockbroker. He charges a 6.25% brokerage on your total purchases. How much does the Broker receive? (P2)

**2 marks**

3. Record the market value of the four companies over 10 days and complete the table on **Attachment 1**. (P4)

**2 marks**

4. Graph the data **on 5mm graph paper from your grid book. Please note that each graph should be on an A4 page, cut neatly from your book. Graphs will NOT be accepted if they are on torn paper or are smaller than A4**; constructing a separate line graph for Companies One, Two, Three and Four. (One graph per sheet) (P8)

Marks awarded for: suitable scale for axes, axes clearly labelled, graph titled, accuracy and attention to detail

**5 marks each**

**20 marks**

5. Draw a line of best fit for each graph and then **predict** what the market value for Companies One, Two, Three and Four would be after 6 weeks. (P2, P5)

**8 marks**

6. Select one company, and report on the behaviour of the market value, noting any volatile behaviour and speculate on possible reasons for it. (P11)

Marks awarded for: clear explanation of the movement of the price, explanation for the movement, grammatically correct, spelling correct

**4 marks**

7. At the end of the specified period, you decide to sell your shares. Calculate the total revenue you will receive (P2)

**2 marks**

8. During the day of your 10<sup>th</sup> recording, Companies One and Three give dividends to their shareholders.

Company One gave a dividend of 96 cents a share while Company Three gave a dividend of \$2.08 a share. (P2)

a) Calculate your total dividend for Company One.

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b) Calculate your total dividend for Company Three.

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c) If the dividends were given out on the day of your 10<sup>th</sup> recording, calculate the dividend yield for each company.

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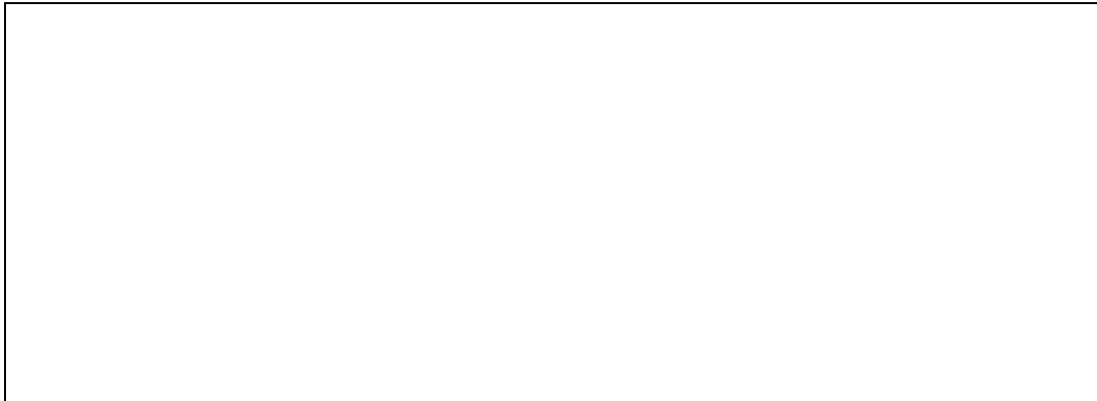
**8 marks**

9. By considering **all income and payments** you have looked at in this assignment, calculate the total **profit/loss** you would have made. (P2)

**3 marks**

10. You could invest your money in other ventures. Calculate your investment for the following:

- a) A Commonwealth Investment Account which offers interest of 5.85% pa compounded daily, with no transaction fees.

A large empty rectangular box with a black border, intended for the student to write their calculation for part (a).

**3 marks**

- b) Lending the money to a friend on your terms which includes simple interest of 6% pa.

A large empty rectangular box with a black border, intended for the student to write their calculation for part (b).

**3 marks**

c) By comparing your share investment to the two alternatives above, NOTE the financial positives and negatives of each method IN DOT-POINT FORM:

<b>SHARES:</b>	
POSITIVES:	NEGATIVES:
<b>COMMONWEALTH INVESTMENT ACCOUNT:</b>	
POSITIVES:	NEGATIVES:
<b>LENDING TO A FRIEND:</b>	
POSITIVES:	NEGATIVES:

**6 marks**